

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20278-0001

MARKET TEST OF EXPERIMENTAL PRODUCT –
USPS CONNECT LOCAL MAIL

Docket No. MT2022-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 2**
(December 14, 2021)

The Postal Service hereby responds to Chairman's Information Request No. 3, issued on December 7, 2021. Each question is stated verbatim and is followed by the response.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

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1. Please confirm that other commercially available postage evidencing options approved by the Postal Service, including postage meters, PC Postage, Online Postage, ePostage, and other application programming interfaces, qualify as “other API approved account” or “other API accounts” for purposes of this market test. If not confirmed, please explain fully.

RESPONSE:

Not confirmed. Postage meters, PC Postage, Online Postage, ePostage, and other application programming interfaces do not qualify as “other API approved account” or “other API accounts” at this time. Postage for this market test will, at least initially, be limited to using Click-N-Ship.

2. Please confirm that other commercially available postage evidencing options approved by the Postal Service, including postage meters, PC Postage, Online Postage, ePostage, and other application programming interfaces, will be able to connect with “other API approved account” or “other API accounts” to enable end customers to print and pay for postage for USPS Connect Local Mail. If not confirmed, please explain fully.

RESPONSE:

Not confirmed. The other postage evidencing options will need access to a system that verifies that each address selected is eligible to accept USPS Connect Local Mail.

Additionally, the system will need to verify whether the customer has successfully completed the registration process to participate as a USPS Connect Local Mail customer. Currently this technology does not exist.

3. If questions 1 or 2 are not confirmed, please explain the rationale for limiting the payment options during the experimental market test period to “Click-N-Ship or other API accounts” as compared to other available postage evidencing options approved by the Postal Service, including postage meters, PC Postage, Online Postage, ePostage, and other application programming interfaces.

RESPONSE:

The market test is designed to help determine what requirements, standards or processes will be best suited for the product, and streamlining the available payment options, thereby limiting variables will help the Postal Service properly evaluate the test. USPS has made software modifications for USPS Connect Local Mail-eligible customers to print labels and pay for the pieces on Click N Ship. Not all locations will be eligible for USPS Connect Local Mail. Click-N-Ship affords USPS control over program eligibility and ensures that customers only enter mail for destinations that offer USPS Connect Local Mail service. This prevents customers from printing labels, paying for postage, and bringing their mail pieces to the delivery unit only to find out that the location or destination is not supported as part of USPS Connect Local Mail.

4. If questions 1 or 2 are not confirmed, please answer the following:
- a. Please explain the rationale for the statement that, during the test period, the Postal Service does not intend to broaden the available payment for USPS Connect Local Mail.
 - b. Please indicate if a mailer that lacks access to Click-N-Ship or other API accounts, but desires to participate in the test, will have an opportunity to do so. If so, how? If not, why not?
 - c. If USPS Connect Local Mail becomes a permanent product, does the Postal Service intend to broaden the available payment options? If so, how? If not, why not?

RESPONSE:

- a. The rationale is to ensure that the rules and requirements for the USPS Connect Local Mail market test are enforced and customers are not erroneously offered or charged for a service that is not available in a given area or region. Additionally, the Postal Service has an interest in limiting systems changes and associated costs during the testing phase.
- b. If the mailer lacks access to Click-N-Ship, they will not be able to participate in the test, at least initially. However, anyone with a computer and internet access can register for and access Click-N-Ship. Thus, the Click-N-Ship requirement is not likely to bar any customer's access to USPS Connect Local Mail and participation in the test.
- c. This has not yet been determined and the decision depends on learnings from the market test. If the market test is successful, the Postal Service would consider broadening payment options and evaluating the need for a retail acceptance option (i.e., an option to let customers tender USPS Connect Local Mail items at the retail counter in post offices).

5. If questions 1 or 2 are not confirmed, please explain how limiting payment channels during the test period will advance the stated goals of assessing demand for a same/next day local document delivery product when many of the target customers for USPS Connect Local Mail may likely utilize commercially available and USPS-approved payment evidencing options for mailing all other First-Class Mail products today.

RESPONSE:

Utilizing Click-N-Ship affords the Postal Service the opportunity to monitor customer interest, perform follow-ups, and track performance. While there is necessarily somewhat of a tradeoff in terms of total customer reach, the focus during the market test is on maximizing the potential learning from the test rather than solely maximizing reach.

6. Assuming that during the test period, the Postal Service intends to limit payment options to those it offers directly, as compared to other available payment options that it regulates, please explain how such a limitation does not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small business concerns (as defined under 39 U.S.C. § 3641(h)). See 39 U.S.C. § 3641(b)(2).

RESPONSE:

Payment options already vary across the Postal Service's product line, and title 39 does not constrain the Postal Service's discretion to vary payment options by product based on business needs. With respect to market tests in particular, subsection (b)(2) of section 3641 looks to whether the proposed experimental product itself creates market disruption, rather than the specific mail acceptance and payment processing details around the product.